



Indiana Department of Environmental Management  
Office of Air Management  
Rule Fact Sheet  
February 2, 2000

**DEVELOPMENT OF AMENDMENTS TO RULES CONCERNING THE PREVENTION  
OF SIGNIFICANT DETERIORATION PROGRAM  
#97-13(APCB)**

**Overview**

This rulemaking revises 326 IAC 2-2-1 concerning definitions for the prevention of significant deterioration program and 326 IAC 2-7-10.5 concerning modifications to Part 70 sources and operating permit revisions.

**Citations Affected**

Amends:  
326 IAC 2-2-1 and 326 IAC 2-7-10.5.

**Affected Persons**

Major sources installing pollution control projects and surrounding communities.

**Potential Cost**

Low. The proposed changes would streamline the approval process for pollution control project installation.

**Description**

The prevention of significant deterioration (PSD) program requires the review of major new sources of air pollution emissions and major modifications of existing sources located in attainment areas where air quality meets health based standards. This review ensures that the construction and subsequent operation of the source or modification will comply with best available control technology (BACT) and not adversely impact the national ambient air

quality standards (NAAQS) or PSD increment increases in pollutant concentrations.

The U.S. EPA has an established policy that excludes certain pollution control projects from permitting requirements on a case-by-case basis. In 1992, U.S. EPA promulgated a specific pollution control project exclusion for electric utility generating units under 40 CFR 52.21. This exclusion is only applicable to utilities, although at the time of the federal rulemaking, the U.S. EPA indicated that it would consider the exclusion for other source categories in future rulemakings (57 FR 32332). U.S. EPA did state that pollution control project exclusions involving other source categories could continue on a case-by-case basis (57 FR 32320) and issued a guidance memorandum on July 1, 1994 addressing the issue of case-by-case exclusions.

The memorandum, "Pollution Control Projects and New Source Review (NSR) Applicability", outlines the types of projects that may qualify for a conditional exclusion as a pollution control project, certain criteria that must be satisfied, and the procedural steps that state permitting authorities should follow in issuing an exclusion. This proposed rule change would define pollution control projects as exempt from new source permitting. Indiana's existing permit modification process

would be used to fulfill the federally required procedures. Two examples of pollution control projects that could be potentially eligible for an exclusion would be installation of conventional or innovative emissions control equipment and projects undertaken to accommodate switching to an inherently less-polluting fuel. The guidance only applies to modifications at existing sources and does not apply to proposed new sources.

While most pollution control projects are not subject to permitting requirements because they result in a reduction of emissions, not an increase, some projects could result in a collateral increase of some pollutants. An example would be the use of combustion equipment to control volatile organic compound (VOC) emissions. While the VOC emissions are greatly reduced, there may be an increase in nitrogen oxide (NO<sub>x</sub>) emissions related to the combustion process.

### **Consideration of Factors Outlined in Indiana Code 13-14-8-4**

Indiana Code 13-14-8-4 requires that in adopting rules and establishing standards, the board shall take into account the following:

- 1) All existing physical conditions and the character of the area affected.
- 2) Past, present, and probable future uses of the area, including the character of the uses of surrounding areas.
- 3) Zoning classifications.
- 4) The nature of the existing air quality or existing water quality, as appropriate.
- 5) Technical feasibility, including the quality conditions that could be reasonably be achieved through coordinated control of all factors affecting the quality.
- 6) Economic reasonableness of measuring or reducing any particular type of pollution.
- 7) The right of all persons to an environment sufficiently uncontaminated as not to be injurious to:

(A) human, plant animal, or aquatic life; or

(B) the reasonable enjoyment of life and property.

### **Consistency with Federal Requirements**

The amended rules are consistent with federal guidance.

### **IDEM Contact**

Additional information regarding this rulemaking action can be obtained by calling (800) 451-6027 (in Indiana), press 0 and ask for Roger Letterman, Rule Development Section, Office of Air Management, (or extension 2-8342) or dial (317) 232-8342.